

LAW OFFICES OF
GENSBURG & AXELROD

A PROFESSIONAL CORPORATION

RICHARD A. AXELROD
ROBERT A. GENSBURG
STEVEN A. ADLER

14375
RECORDATION NO. 14375 Filed 1425

JUL 19 1984 11:10 AM

59 MAIN STREET

P. O. BOX 189

ST. JOHNSBURY, VERMONT 05819

(802) 748-8161

July 16, 1984
INTERSTATE COMMERCE COMMISSION 4-201A066

No.

JUL 19 1984

Date

Secretary

Interstate Commerce Commission
Washington, DC 20423

Dear Sirs:

Enclosed please find two original Chattel Mortgages, together with a certified copy of each, for recording. One Chattel Mortgage grants a security interest in five gondola cars from Lamoille Valley Railroad Company to McDonnell Douglas Finance Corporation. The gondola cars bear reporting marks PAM2046-2051 inclusive. The second Chattel Mortgage grants a security interest in a locomotive from Twin State Railroad Company to McDonnell Douglas Finance Corporation. The locomotive is an ALCO RS-3 1600 horsepower unit bearing road number 7805.

We also enclose our check for \$100.00 in payment of the recording fees.

Each document is a primary document.

Recorded originals should be returned to me, Robert A. Gensburg, P. O. Box 189, St. Johnsbury, Vermont.

I am President of Lamoille Valley Railroad Company, and President of Twin State Railroad Company, and have personal knowledge of the matters described in this transmittal letter.

Very truly yours,

GENSBURG & AXELROD

Robert A. Gensburg

By: Robert A. Gensburg

encs.

RAGkss

RECEIVED

JUL 19 11 44 AM '84

I.C.C.
FEE OPERATION PP

Interstate Commerce Commission
Washington, D.C. 20423

7/19/84

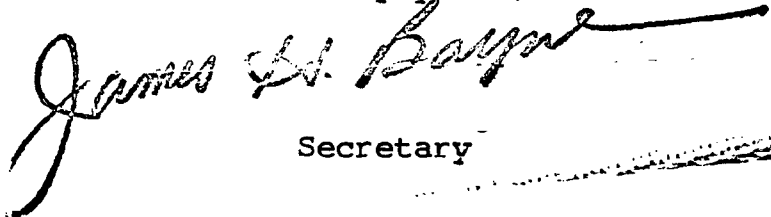
OFFICE OF THE SECRETARY

Robert A. Gensburg
P.O.Box 189
St. Johnsbury, Vermont 05819

Dear Sir:

The enclosed document(s) was recorded pursuant to the provisions of Section 11303 of the Interstate Commerce Act, 49 U.S.C. 11303, on 7/19/84 at 11:50am and assigned re-
recording number(s). 14375 & 14376

Sincerely yours,


Secretary

Enclosure(s)

RECORDATION NO. 14375 Filed 1425

JUL 19 1984 11 12 AM

CHATTEL MORTGAGE

INTERSTATE COMMERCE COMMISSION

This chattel mortgage made this 22 day of June, 1984 by and between LAMOILLE VALLEY RAILROAD COMPANY, a Vermont corporation having a place of business in Morrisville, Lamoille County, Vermont ("Mortgagor"), and McDONNELL DOUGLAS FINANCE CORPORATION, a Delaware corporation having a place of business in Long Beach, Los Angeles County, California ("Mortgagee")

WITNESSETH:

A. Mortgagor mortgages to Mortgagee the equipment shown on Schedule A attached hereto as security for the payment by Twin State Railroad Company ("TSR") to Mortgagee of Twin State Railroad Company's promissory note ("the note") dated June 7, 1984 in the principal sum of \$275,000.00, according to the tenor thereof.

B. Mortgagor agrees and covenants with Mortgagee and Mortgagee's successors and assigns that:

1. TSR will pay the aforesaid promissory note according to its terms.

2. Mortgagor has the right and power to pledge the collateral as security for TSR's promissory note in the manner and form as herein set forth.

3. The mortgaged collateral is free from any and all encumbrances, except certain management agreements dated February 23, 1984 by and between Railcar Management, Inc., a Georgia corporation having a place of business in Atlanta, Fulton County,

Georgia, and any and all deployment agreements and leases entered into pursuant to such management agreements.

4. Mortgagor will warrant and defend forever Mortgagee's lien in the collateral against all and every person or persons, and against all and every claim or claims, whatsoever.

5. It will cause the collateral to be insured against loss due to damage or destruction in an amount at least equal to the total indebtedness due on the note, or the full insurable value thereof, whichever is less, for the benefit of Mortgagee, and Mortgagee's successors and assigns, in such form and with such insurance company as Mortgagee shall approve.

6. It will pay or cause to be paid all taxes and assessments that may be levied on the collateral.

7. The proceeds of the collateral, or substitutions thereof, or the additions and betterments thereto, or accretions thereto, are subject to and secured by this chattel mortgage.

C. The collateral is railroad equipment, and accordingly shall at all times be used and maintained solely in strict adherence to the rules and regulations of the American Association of Railroads, Interstate Commerce Commission, United States Department of Transportation, and other Agencies and Associations having regulatory or contractual authority over the use of railroad equipment; otherwise, the collateral need not be kept in any one

place, and by the acceptance hereof Mortgagee consents to the use of the collateral throughout the United States, Canada and Mexico in railroad interchange service.

D. As long as all the terms of the note and the terms of this chattel mortgage are adhered to, Mortgagor, or Mortgagor's trustees, agents or other persons authorized by Mortgagor to have possessions of the property, shall be entitled to retain possession of the collateral and to use and enjoy the same.

E. In the event Mortgagee rightfully takes possession of the collateral for any reason whatsoever, Mortgagee may sell the same at public auction or private sale as in Mortgagee's sole and exclusive discretion shall be the most commercially reasonable method to dispose of the collateral. In the event of such sale, Mortgagee will give to Mortgagor at least fifteen days' notice of the time and place of any such sale.

F. In the event of the default hereunder or a default under the terms of the note by TSR, Mortgagor shall pay to Mortgagee such costs as Mortgagee shall incur when exercising its rights hereunder, and under the note including but not limited to reasonable attorneys' fees incurred by Mortgagee.

G. If Mortgagee shall rightfully sell the collateral at public or private sale as described above, and as a result thereof shall not recover the indebtedness which this chattel mortgage secures, together with Mortgagee's costs of sale and

costs of protecting itself, Mortgagor shall pay any such deficiency to Mortgagee; in the event the proceeds of such sale exceed all of Mortgagee's such costs, such excess shall be paid by Mortgagor to Mortgagee.

H. Mortgagor shall keep or cause the property to be kept in as good condition as it is at the time of the execution of this chattel mortgage, reasonable wear and tear excepted; Mortgagor shall further inspect and maintain the collateral, or cause the same to be inspected and maintained, strictly in accord with the rules and regulations of the American Association of Railroads, Interstate Commerce Commission, and United States Department of Transportation.

IN WITNESS WHEREOF Mortgagor has executed this chattel mortgage this 17 day of June, 1934.

IN PRESENCE OF:

LAMOILLE VALLEY RAILROAD COMPANY

By: Robert A. [Signature]
Its Duly Authorized Agent

STATE OF VERMONT

Lamoille COUNTY, ss.

At St. Albans in said County and State this 17th day of June, 1934, Robert A. [Signature], duly authorized agent for Lamoille Valley Railroad Company, personally appeared and he acknowledged the foregoing chattel

mortgage by him subscribed to be his free act and deed, the free act and deed of Lamoille Valley Railroad Company, and further that he was the duly authorized agent for Lamoille Valley Railroad Company to execute same."

Before me,

Notary Public

My commission expires:

SCHEDULE A

<u>Equipment</u>	<u>Reporting Marks</u>
100 Ton GB Gondola Car	PAM 2047
100 Ton GB Gondola Car	PAM 2048
100 Ton GB Gondola Car	PAM 2049
100 Ton GB Gondola Car	PAM 2050
100 Ton GB Gondola Car	PAM 2051

CERTIFICATION

I, Rose R. Prue, hereby certify that I am a notary public commissioned as such in the County of Caledonia, State of Vermont, that I have compared the attached copy of a chattel mortgage between Lamoille Valley Railroad Company and McDonnell Douglas Finance Corporation with the original thereof, and I have found the copy to be complete and identical in all respects with the original thereof.

Dated at St. Johnsbury, in the County of Caledonia and State of Vermont this 16th day of July, 1984.

Rose R. Prue
Rose R. Prue